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THE BLOG

SBA Sued for Refusing to Release Information on Public Relations Contracts

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 Like 3**Lloyd Chapman** 
Small business advocate

On Tuesday, April 6, the American Small Business League (ASBL) filed suit against the Small Business Administration (SBA) under the Freedom of Information Act (FOIA). The SBA is refusing to release detailed information on four public relations contracts.

http://www.asbl.com/documents/20100406_FOIA4_complaint.pdf

The ASBL suspects the SBA has spent American tax dollars to hire consultants to help them obscure the SBA's role in diverting billions of dollars a month in federal small business contracts to Fortune 500 firms and other large businesses around the world.

In one case, the SBA paid \$30,000 for a one-day meeting with APCO Worldwide Inc, a multinational communications firm specializing in crisis management. The SBA is refusing to release the complete details on that contract. In another example, the SBA paid \$16,500 to the White House Writers Group. The SBA is refusing to release all of the details on that contract.

The SBA is also refusing to release any information whatsoever on two additional contracts for public relations consulting services.

The most recent information released by the Obama Administration found large recipients of federal small business contracts such as Lockheed Martin, Boeing, Raytheon, Northrop Grumman, Dell Computers, British Aerospace (BAE), Rolls-Royce, French giant Thales Communications, Ssangyong Corporation headquartered in South Korea and the Italian firm Finmeccanica SpA.

Since 2002, the SBA has claimed that the diversion of federal small business contracts to large corporations was the result of "miscoding." In May of 2007, the

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SBA even went as far as to claim that it was a “myth” that large corporations received federal small business contracts. (<http://www.asbl.com/documents/sbamythvfact.pdf>)

In SBA Report 5-15, the agency’s Office of Inspector General referred to the diversion of federal small business contracts to corporate giants as, “One of the most important challenges facing the Small Business Administration and the entire Federal government today.” (<http://www.asbl.com/documents/05-15.pdf>) Another report, from the SBA’s own Office of Inspector General found that the SBA itself had reported contracts to large businesses as small business awards, including Dutch conglomerate Buhmann NV with more than 26,000 employees worldwide. (<http://www.asbl.com/documents/05-14.pdf>)

On March 12, 2010, the Obama Administration removed 10 years of historical data from the Federal Procurement Data System - Next Generation (FPDS-NG), which has been used by the GAO and Inspector generals from a variety of federal agencies to uncover fraud and abuse in federal small business contracting programs. The ASBL has filed for an injunction to force the Obama Administration to restore the data.

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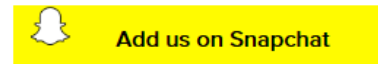
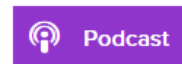
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